

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 792
Version:	INT
Request No.:	1237
Author:	Sen. Hicks
Date:	01/30/2019

Bill Analysis

SB 792 modifies the earned income tax credit beginning January 1, 2020, by allowing the credit to be refunded to a claimant if the credit exceeds taxes owed by the claimant.

Prepared by: Kalen Taylor

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: February 1, 2019

BILL NUMBER: SB 792 STATUS AND DATE OF BILL: Introduced 1/17/19

AUTHORS: House n/a Senate Hicks

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 792 proposes to amend 68 O.S. § 2357.43 which relates to the Oklahoma Earned Income Credit. This measure proposes to reinstate the refundable aspect of this credit beginning with tax year 2020.

EFFECTIVE DATE: November 1, 2019

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 21: Projected decrease of \$25,228,000 in income tax collections.

Feb. 1, 2019
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-1-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

2-1-19
DATE

Jimmy McInt
FOR THE COMMISSION

The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT - SB 792[Introduced] Prepared February 1, 2019

SB 792 proposes to amend 68 O.S. § 2357.43 which relates to the Oklahoma Earned Income Credit. This measure proposes to reinstate the refundable aspect of this credit beginning with tax year 2020.

Under current law the Oklahoma Earned Income Credit is equal to 5% of the earned income credit allowed on a taxpayer's federal income tax return. This is a non-refundable tax credit with no carryover provisions¹.

No change to estimated tax or withholding is anticipated. The estimated revenue impact for this measure is a decrease of \$25,228,000 in income tax collections in FY21.

¹ SB 1604 was enacted during the 2016 Legislative session which eliminated the refundable aspect of the Earned Income Tax Credit beginning with tax year 2016.